

Message Text

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ACTION COME-00

INFO OCT-01 EA-11 ISO-00 EB-11 EUR-25 RSC-01 DRC-01 /050 W

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R 140929Z FEB 74

FM AMEMBASSY TOKYO

TO SECSTATE WASHDC 9987

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PASS COMMERCE FOR BEWT/SUZANNE PORTER

E.O. 11652: N/A

TAGS: ETRD, ETRN, JA

SUBJECT: PLACEMENT OF INSURANCE ON SHIPMENTS IN EAST-WEST TRADE

REF: STATE 23552

1. SUMMARY. FOLLOWING INFORMATION SUBMITTED IN RESPONSE PARAS

9-14 REFTEL. END SUMMARY

2. RE PARA 11 REFTEL FOLLOWING DATA WERE SUPPLIED BY TOKYO MARINE AND FIRE INSURANCE COMPANY, JAPAN'S LARGEST MARINE INSURANCE FIRM. AMOUNTS IN COLUMN B ARE EXPORT/IMPORT VALUES REPORTED BY MINISGRY OF FINANCE (CUSTOMS BUREAU) AND AMOUNTS IN COLUMN C REPRESENT FACE VALUE OF INSURANCE WRITTEN BY ALL JAPANESE COMMERCIAL UNDERWRITERS. SINCE THE TWO SETS OF FIGURES ARE NOT STRICTLY COMPARABLE, PERCENTAGES IN COLUMN D SHOULD BE TAKEN AS ESTIMATES ONLY. VALUES ARE IN MILLION YEN. PERIOD IS APRIL 1972-MARCH 1973

JAPANESE EXPORTS:

(A)	(B)	(C)	(D)
USSR	134,311.5	14,041.2	8.7
BULGARIA	6,211.2	6,303.2	84.6
POLAND	27,570.0	5,650.7	17.1
E. GERMANY	14,925.3	11,420.8	63.8
CZECHOSLOVAKIA	4,670.4	916.2	16.3
YUGOSLAVIA	14,154.3	11,827.9	69.6
HUNGARY	3,403.5	2,416.4	59.2

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JAPANESE IMPORTS

USSR	200,126.7	135,429.4	61.5
POLAND	10,699.5	12,453.5	105.8
E. GERMANY	3,729.0	1,038.7	25.3
CZECHOSLOVAKIA	4,392.0	362.3	7.5
ROMANIA	4,037.1	4,873.2	109.7
BULGARIA	4,188.9	5,259.3	113.9
YUGOSLAVIA	3,349.2	1,951.2	53.0
HUNGARY	3,025.2	136.4	4.1

NOTE: TITLES FOR HEADINGS OF ABOVE COLUMNS ARE

(A) DESTINATION (FOR EXPORTS); ORIGIN (FOR IMPORTS)

(B) TOTAL VALUE

(C) VALUE OF CARGOES INSURED BY JAPANESE UNDERWRITERS

(D) COLUMN (C) AS PERCENT OF COLUMN (B)

3. RE PARAS 9 AND 10 REFTEL, NO SPECIFIC INFORMATION IS AVAILABLE

RE ON INSURANCE WRITTEN IN USSR AND EAST EUROPE OR BY SOVIET-OWNED INSURANCE COMPANIES ON CARGOES ORIGINATING IN OR DESTINED FOR JAPAN. HOWEVER, AT LEAST A ROUGH ESTIMATE CAN BE DERIVED FROM FOREGOING FIGURES ON ASSUMPTION THAT CARGOES NOT ISURED BY JAPANESE COMPANIES ARE INSURED BY UNDERWRITERS IN USSR AND/OR EAST EUROPE RATHER THAN IN THIRD COUNTRIES.

4. RE PARA 12 REFTEL, GOJ EXPORT INSURANCE PROGRAM, ADMINIST-ED BY MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY (MITI), DOES NOT PROVIDE MARINE CARGO COVERAGE BUT DOES OFFER INSURANCE AGAINST COMMERCIAL RISKS, E.G. AGAINST NON-PAYMENT OF EXPORT BILLS DUE TO BANKRUPTCY OF IMPORTING FIRM. ACCORDING TO SHUJI OZU, CHIEF OF MITI'S EXPORT INSURANCE DIV, ROUGHLY 40-45 PERCENT OF TOTAL VALUE OF JAPAN'S ANNUAL EXPORTS ARE COVERED BY THE GOVERNMENTAL PROGRAM. OZU SIAD MITI CONSIDERS DETAILED STATISTICS ON GOJ EXPORT INSURANCE PROGRAM TO BE PRIVILEGED DATA BUT HE MENTIONED THAT FIGURES ARE REGULARLY SENT TO U.S. EXPORT-IMPORT BANK.

5. RE PARA 13 REFTEL, ACCORDING TO MITI EXPORT INSURANCE DIV, THERE ARE NO INSURANCE AGREEMENTS BETWEEN GOJ AND USSR OR EAST LIMITED OFFICIAL USE

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EUORPEAN COUNTRIES.

6. RE PARA 14 REFTEL, OUR DISCUSSIONS WITH MITI AND TOKYO MARINE AND FIRE INSURANCE COMPANY INDICATED THAT NEITHER GOJ NOR INSURANCE INDUSTRY CONSIDERS THAT USSR OR EAST EUROPEAN COUNTRIES DISCRIMINATE AGAINST JAPANESE INSURERS.
SHOESMITH

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Message Attributes

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